

**CITY OF WATHENA, KANSAS**

**REGULATORY BASIS FINANCIAL STATEMENTS**  
For the year ended December 31, 2016

And

**INDEPENDENT AUDITOR'S REPORT**

...*KL*...

***Karlin & Long, LLC***  
***Certified Public Accountants***

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# CITY OF WATHENA, KANSAS

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...KL...

**Karlin & Long, LLC**  
*Certified Public Accountants*

The Honorable Mayor and City Council  
206 St. Joseph St.  
Wathena, KS 66090

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Wathena, Kansas ("Municipality") as of and for the year ended December 31, 2016, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Wathena to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Wathena as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Wathena, Kansas (“Municipality”) as of December 31, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and

other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Karlin & Long, LLC*

Karlin & Long, LLC  
Certified Public Accountants

Lawrence, KS  
May 19, 2017

CITY OF WATHENA, KANSAS  
Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ 199,595	0	\$ 487,445	\$ 548,555	\$ 138,485	\$	\$ 138,485
Special Purpose Funds							
Special highway	1,980	0	35,680	37,500	160		160
Employee benefit	4,383	0	27,436	25,675	6,144		6,144
Special parks and recreation	16,852	0	3,942	5,706	15,088		15,088
Tort liability	26,251	0	41	0	26,292		26,292
Equipment reserve	114,504	0	27,237	42,766	98,975		98,975
Law enforcement	1,497	0	972	0	2,469		2,469
Municipal pool	199,902	0	160,637	273,680	86,859		86,859
Asset forfeiture	1,599	0	18,325	18,188	1,736		1,736
Capital Projects Funds							
Electrical project	473,989	0	490,985	115,438	849,536		849,536
Business Funds:							
Electric system	833,705	0	1,086,742	1,424,156	496,291		496,291
Water system	167,970	0	251,021	271,321	147,670		147,670
Sewer system	201,956	0	240,799	160,679	282,076		282,076
Sewer lagoon replacement	31,675	0	8,035	0	39,710		39,710
KDHE lagoon project	89,195	0	61,927	61,615	89,507		89,507
Total Reporting Entity	\$ 2,365,053	0	\$ 2,901,224	\$ 2,985,279	\$ 2,280,998	\$ 0	\$ 2,280,998
Composition of Cash							
					Checking Accounts		
					Savings Accounts		
					Petty Cash		1,879,509
					Municipal Investment Pool		300
					Certificates of Deposit		401,189
					Total Reporting Entity		\$ 2,280,998

The notes to the financial statements are an integral part of this statement.

## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – Summary of Significant Accounting Policies

##### Financial Reporting Entity

The City of Wathena is a municipal corporation governed by an elected five member council. The City as an entity has been defined to include, on a combined basis, (a) the City of Wathena, Kansas (b) organizations for which the City of Wathena, Kansas is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the City of Wathena, Kansas are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City's only related municipality entity, the Wathena Public Housing Authority, is not included in these financial statements.

##### Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City for the year 2016:

##### Governmental Funds

**General Fund** - The chief operating fund. Used to account for the resources except those required to be accounted for in another fund.

**Special Purpose Funds** - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes.

**Business Funds** – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service fund ect.)

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment

## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – Summary of Significant Accounting Policies (Continued)

##### Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

##### Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

##### Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:



## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – Summary of Significant Accounting Policies (Continued)

##### Budgetary Information (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budgets for the Sewer lagoon replacement and Capital improvement funds were amended for the current year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – Summary of Significant Accounting Policies (Continued)

##### Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

##### Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### NOTE 2 – Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices.

##### Concentration of Credit Risk

State statutes place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 2 – Deposits and Investments (Continued)

##### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State statutes require the government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were not legally secured at December 31, 2016.

At December 31, 2016, the government's carrying amount of deposits was \$2,280,998 and the bank balance was \$2,317,385. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the government's name.

##### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### NOTE 3 – Defined Benefit Pension Plan

**Plan Description** – The City of Wathena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions** – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates depending on whether the employee is KPERS 1, KPERS2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015.

## CITY OF WATHENA, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 4 – Defined Benefit Pension Plan (continued)**

Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to provisions Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on results of each annual actuarial valuation. Kansas sets a limitation on annual increases in the employer contributions rates. The actuarially determined employer contribution rate (not including the .085% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City of Wathena, Kansas were \$27,452 for the year ended December 31, 2016.

#### **Net Pension Liability**

At December 31, 2016, the City of Wathena, Kansas' proportionate share of the collective net pension liability reported by KPERS was \$265,501 the net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined was an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City of Wathena, Kansas' proportion of the net pension liability was based on the ratio of the City of Wathena, Kansas' contributions to KPERS, relative to the total employer and non employer contributions to the Local subgroup within KPERS. Since KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actual valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website [www.KPERS.org](http://www.KPERS.org) or can be obtained as described above.

#### **NOTE 4 – Risk Management**

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

# CITY OF WATHENA, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – Compliance with Kansas Statutes

We noted a violation of K.S.A 9-1402, the depository security law, for the period under audit

### NOTE 6 – Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment, subject to the maximum hours of accumulation authorization in the following schedule:

	Years of Continuous Employment			
	0-5	5-10	10-15	>15
Full-Time employees				
Maximum Hours Accumulation	80	120	160	200

### NOTE 7 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Sewer	Sewer Lagoon Fund	12-825d	\$ 61,800
Sewer	Sewer Lagoon Replacement Fund	12-825d	7,980
Electrical Fund	General Fund	12-825d	80,000
Electrical Fund	Equipment Reserve Fund	12-8,117	10,000
Electrical Fund	Electrical Project Fund	12-825d	402,119

### NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

## **CITY OF WATHENA, KANSAS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 9 – Commitments and Contingencies**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have material effect on the financial statements of the City as of December 31, 2016

#### **NOTE 10 – Subsequent Events Review**

Subsequent events for management's review have been evaluated through May 19, 2017. The date in the prior sentence is the date the financial statements were available to be issued.

CITY OF WATHENA, KANSAS  
Statement of Changes in Long-Term Debt  
For the Year Ended December 31, 2016

**Note 11 - Long Term Debt**

Changes in long-term liabilities for the City for the year ended December 31, 2016 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
2006 Issue	4.10-5.00%	9/1/06	\$ 1,000,000	9/1/26	\$ 260,000	\$	\$ 260,000	\$ (260,000)	\$ 0	\$ 11,055
Revenue Bonds										
2011 Issue	1.25-5.25%	11/1/11	580,000	11/1/31	510,000		25,000	(25,000)	485,000	23,162
2012 Issue	0.75-4.00%	5/1/12	925,000	5/1/33	870,000		40,000	(40,000)	830,000	27,276
KDHE Loan										
C20 1661-01	2.42%	3/1/07	811,065	3/1/23	407,407		51,076	(51,076)	356,331	9,553
Total Long Term Debt					<u>\$ 2,047,407</u>	<u>\$ 0</u>	<u>\$ 376,076</u>	<u>\$ (376,076)</u>	<u>\$ 1,671,331</u>	<u>\$ 71,046</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2017	2018	2019	2020	2021	2022-2026	2027-2031	2032-2035	Totals
Principal									
General Obligation Bonds	\$	\$	\$	\$	\$	\$	\$	\$	\$ 0
Special Assessment Bonds									0
Certificates of Participation									0
Capital Leases									0
Revenue Bonds	65,000	65,000	65,000	65,000	65,000	385,000	475,000	130,000	1,315,000
KDHE Loan	52,448	53,859	55,306	56,793	58,319	79,606			356,331
Temporary Notes									0
Total Principal	<u>117,448</u>	<u>118,859</u>	<u>120,306</u>	<u>121,793</u>	<u>123,319</u>	<u>464,606</u>	<u>475,000</u>	<u>130,000</u>	<u>1,671,331</u>
Interest									
General Obligation Bonds									0
Special Assessment Bonds									0
Certificates of Participation									0
Capital Leases									0
Revenue Bonds	49,199	47,801	46,237	44,513	44,513	188,201	106,261	13,962	540,687
KDHE Loan	8,308	7,030	5,718	4,371	2,987	1,805			30,219
Temporary Notes									0
Total Interest	<u>57,507</u>	<u>54,831</u>	<u>51,955</u>	<u>48,884</u>	<u>47,500</u>	<u>190,006</u>	<u>106,261</u>	<u>13,962</u>	<u>570,906</u>
Total Principal and Interest	<u>\$ 174,955</u>	<u>\$ 173,690</u>	<u>\$ 172,261</u>	<u>\$ 170,677</u>	<u>\$ 170,819</u>	<u>\$ 654,612</u>	<u>\$ 581,261</u>	<u>\$ 143,962</u>	<u>\$ 2,242,237</u>

**City of Wathena, Kansas**

**Regulatory-Required**

**Supplementary Information**

**For the year ended December 31, 2016**



CITY OF WATHENA, KANSAS  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds						
General	\$ 645,899	\$ 0	\$ 0	\$ 645,899	\$ 548,555	\$ (97,344)
Special Purpose Funds						
Special highway	37,500	0	0	37,500	37,500	0
Employee benefit	30,300	0	0	30,300	25,675	(4,625)
Special parks and recreation	7,500	0	0	7,500	5,706	(1,794)
Tort liability	0	0	0	0	0	0
Equipment reserve	45,000	0	0	45,000	42,766	(2,234)
Law enforcement	3,000	0	0	3,000	0	(3,000)
Municipal pool	279,000	0	0	279,000	273,680	(5,320)
Asset forfeiture	19,750	0	0	19,750	18,188	(1,562)
Capital Projects Funds						
Electrical project	116,000	0	0	116,000	115,438	(562)

CITY OF WATHENA, KANSAS  
GENERAL FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes	\$ 183,848	\$ 184,925	\$ (1,077)
Licenses and permits	686	3,300	(2,614)
Utility franchise fees	59,852	65,000	(5,148)
Intergovernmental revenues	79,998	81,503	(1,505)
Fines and fees	54,388	80,000	(25,612)
Miscellaneous revenues	28,296	24,000	4,296
Interest income	377	250	127
Operating transfers	80,000	80,000	0
Total Cash Receipts	<u>487,445</u>	<u>518,978</u>	<u>(31,533)</u>
EXPENDITURES			
General government	161,531	176,450	(14,919)
Public safety	118,177	162,500	(44,323)
Highway and streets	81,634	118,900	(37,266)
Capital outlay	187,213	188,049	(836)
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>548,555</u>	<u>\$ 645,899</u>	<u>\$ (97,344)</u>
Receipts Over (Under) Expenditures	(61,110)		
Unencumbered Cash, Beginning	199,595		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 138,485</u>		

CITY OF WATHENA, KANSAS  
SPECIAL HIGHWAY FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Intergovernmental revenues	\$ 35,656	\$ 35,140	\$ 516
Interest income	<u>24</u>		<u>24</u>
Total Cash Receipts	<u>35,680</u>	<u>35,140</u>	<u>540</u>
EXPENDITURES			
Capital outlay	37,500	37,500	0
Operating transfers			0
Adjustment for qualifying budget credits	<u></u>	<u></u>	<u>0</u>
Total Expenditures	<u>37,500</u>	<u>\$ 37,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(1,820)		
Unencumbered Cash, Beginning	1,980		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 160</u>		

CITY OF WATHENA, KANSAS  
EMPLOYEE BENEFIT FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes	\$ 27,418	\$ 27,893	\$ (475)
Interest income	18		18
Operating transfers			0
	<u>27,436</u>	<u>27,893</u>	<u>(457)</u>
Total Cash Receipts			
EXPENDITURES			
Payroll taxes	5,550	6,500	(950)
Retirement	5,134	6,200	(1,066)
Workers' compensation insurance	302	600	(298)
Health insurance	14,689	17,000	(2,311)
	<u>25,675</u>	<u>\$ 30,300</u>	<u>\$ (4,625)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	1,761		
Unencumbered Cash, Beginning	4,383		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>6,144</u>		

CITY OF WATHENA, KANSAS  
SPECIAL PARKS & RECREATION FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Intergovernmental	\$ 2,919	\$ 2,500	\$ 419
Contributions	1,000		1,000
Interest income	23		23
	<u>3,942</u>	<u>2,500</u>	<u>1,442</u>
Total Cash Receipts			
EXPENDITURES			
Capital outlay	5,706	7,500	(1,794)
	<u>5,706</u>	<u>\$ 7,500</u>	<u>\$ (1,794)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(1,764)		
Unencumbered Cash, Beginning	16,852		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>15,088</u>		

CITY OF WATHENA, KANSAS  
TORT LIABILITY FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Interest income	\$ 41	\$ 50	\$ (9)
Total Cash Receipts	<u>41</u>	<u>50</u>	<u>(9)</u>
EXPENDITURES			
Contingency	<u>          </u>	<u>          </u>	<u>0</u>
Total Expenditures	<u>0</u>	<u><u>0</u></u>	<u><u>0</u></u>
Receipts Over (Under) Expenditures	41		
Unencumbered Cash, Beginning	26,251		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>26,292</u></u>		

CITY OF WATHENA, KANSAS  
EQUIPMENT RESERVE FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Interest income	\$ 337	\$ 400	\$ (63)
Proceeds from equipment sale	16,900		16,900
Operating transfers	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Cash Receipts	<u>27,237</u>	<u>10,400</u>	<u>16,837</u>
EXPENDITURES			
Capital outlay	<u>42,766</u>	<u>45,000</u>	<u>(2,234)</u>
Total Expenditures	<u>42,766</u>	<u>\$ 45,000</u>	<u>\$ (2,234)</u>
Receipts Over (Under) Expenditures	(15,529)		
Unencumbered Cash, Beginning	114,504		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>98,975</u>		

CITY OF WATHENA, KANSAS  
LAW ENFORCEMENT FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Intergovernmental	\$ 972	\$ 3,000	\$ (2,028)
Total Cash Receipts	<u>972</u>	<u>3,000</u>	<u>(2,028)</u>
EXPENDITURES			
Capital outlay	<u>          </u>	<u>3,000</u>	<u>(3,000)</u>
Total Expenditures	<u>0</u>	<u>\$ 3,000</u>	<u>\$ (3,000)</u>
Receipts Over (Under) Expenditures	972		
Unencumbered Cash, Beginning	1,497		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>2,469</u></u>		



CITY OF WATHENA, KANSAS  
MUNICIPAL POOL FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Sales taxes	\$ 160,397	\$ 140,000	\$ 20,397
Interest income	<u>240</u>	<u>50</u>	<u>190</u>
Total Cash Receipts	<u>160,637</u>	<u>140,050</u>	<u>20,587</u>
EXPENDITURES			
Debt service	271,055	279,000	(7,945)
Contractual	<u>2,625</u>	<u>          </u>	<u>2,625</u>
Total Expenditures	<u>273,680</u>	<u>\$ 279,000</u>	<u>\$ (5,320)</u>
Receipts Over (Under) Expenditures	(113,043)		
Unencumbered Cash, Beginning	199,902		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>86,859</u>		

CITY OF WATHENA, KANSAS  
 ASSET FORFEITURE FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Asset forfeiture	\$ 18,325	\$ 18,325	\$ 0
Total Cash Receipts	<u>18,325</u>	<u>18,325</u>	<u>0</u>
EXPENDITURES			
Capital outlay	<u>18,188</u>	<u>19,750</u>	<u>(1,562)</u>
Total Expenditures	<u>18,188</u>	<u>\$ 19,750</u>	<u>\$ (1,562)</u>
Receipts Over (Under) Expenditures	137		
Unencumbered Cash, Beginning	1,599		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,736</u>		

CITY OF WATHENA, KANSAS  
ELECTRICAL PROJECT FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Intergovernmental	\$	\$	\$ 0
Special assessment	88,142	115,000	(26,858)
Interest income	724		724
Operating transfers	<u>402,119</u>		<u>402,119</u>
Total Cash Receipts	<u>490,985</u>	<u>115,000</u>	<u>375,985</u>
EXPENDITURES			
Contractual			0
Capital outlay			0
Commissions			0
Debt service	<u>115,438</u>	<u>116,000</u>	<u>(562)</u>
Total Expenditures	<u>115,438</u>	\$ <u>116,000</u>	\$ <u>(562)</u>
Receipts Over (Under) Expenditures	375,547		
Unencumbered Cash, Beginning	473,989		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>849,536</u>		

CITY OF WATHENA, KANSAS  
ELECTRIC SYSTEM FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Sales to consumers	\$ 1,068,206	\$ 1,165,000	\$ (96,794)
Interest income	1,489		1,489
Miscellaneous revenues	<u>17,047</u>	<u>1,000</u>	<u>16,047</u>
Total Cash Receipts	<u>1,086,742</u>	<u>1,166,000</u>	<u>(79,258)</u>
<b>EXPENDITURES</b>			
Personnel services	108,608	117,500	(8,892)
Contractual	19,717	28,450	(8,733)
Commodities	798,524	906,300	(107,776)
Capital outlay	5,188	40,000	(34,812)
Miscellaneous			0
Operating transfers	<u>492,119</u>	<u>493,000</u>	<u>(881)</u>
Total Expenditures	<u>1,424,156</u>	<u>\$ 1,585,250</u>	<u>\$ (161,094)</u>
Receipts Over (Under) Expenditures	(337,414)		
Unencumbered Cash, Beginning	833,705		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 496,291</u>		

CITY OF WATHENA, KANSAS  
WATER SYSTEM FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Sales to consumers	\$ 248,717	\$ 286,700	\$ (37,983)
Interest income	804	1,000	(196)
Miscellaneous revenues	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Cash Receipts	<u>251,021</u>	<u>289,200</u>	<u>(38,179)</u>
EXPENDITURES			
Personnel services	44,523	55,500	(10,977)
Contractual	15,719	33,950	(18,231)
Commodities	190,580	208,050	(17,470)
Capital outlay	20,499	30,000	(9,501)
Operating transfers	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>271,321</u>	<u>\$ 327,500</u>	<u>\$ (56,179)</u>
Receipts Over (Under) Expenditures	(20,300)		
Unencumbered Cash, Beginning	167,970		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 147,670</u>		

CITY OF WATHENA, KANSAS  
SEWER SYSTEM FUND  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Sales to consumers	\$ 240,336	\$ 230,000	\$ 10,336
Interest income	463	500	(37)
Total Cash Receipts	<u>240,799</u>	<u>230,500</u>	<u>10,299</u>
EXPENDITURES			
Personnel services	44,522	57,000	(12,478)
Contractual	16,129	29,450	(13,321)
Commodities	22,763	37,750	(14,987)
Capital Outlay	7,485	35,000	(27,515)
Operating transfers	69,780	70,000	(220)
Total Expenditures	<u>160,679</u>	<u>\$ 229,200</u>	<u>\$ (68,521)</u>
Receipts Over (Under) Expenditures	80,120		
Unencumbered Cash, Beginning	201,956		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 282,076</u>		

CITY OF WATHENA, KANSAS  
 SEWER LAGOON REPLACEMENT FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Operating transfers	\$ 7,980	\$ 8,000	\$ (20)
Interest income	<u>55</u>	<u>50</u>	<u>5</u>
Total Cash Receipts	<u>8,035</u>	<u>8,050</u>	<u>(15)</u>
EXPENDITURES			
Capital outlay	<u></u>	<u>20,000</u>	<u>(20,000)</u>
Total Expenditures	<u>0</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Receipts Over (Under) Expenditures	8,035		
Unencumbered Cash, Beginning	31,675		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>39,710</u></u>		

CITY OF WATHENA, KANSAS  
 KDHE LAGOON PROJECT FUND  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Operating transfers	\$ 61,800	\$ 62,000	\$ (200)
Interest income	<u>127</u>	<u>100</u>	<u>27</u>
Total Cash Receipts	<u>61,927</u>	<u>62,100</u>	<u>(173)</u>
EXPENDITURES			
Debt service	<u>61,615</u>	<u>62,000</u>	<u>(385)</u>
Total Expenditures	<u>61,615</u>	<u>\$ 62,000</u>	<u>\$ (385)</u>
Receipts Over (Under) Expenditures	312		
Unencumbered Cash, Beginning	89,195		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 89,507</u>		